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**BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA**

In the Matter of:

THE COMMISSIONER OF BUSINESS
OVERSIGHT,

Complainant,

v.

JOHN MARINUS SECKEL, an individual,

Respondent.

MLO LICENSE NO.: 204324 (John M. Seckel)
CRMLA LICENSE NO. 4131173 (Seckel
Capital, LLC)

SETTLEMENT AGREEMENT

In the Matter of:

THE COMMISSIONER OF BUSINESS
OVERSIGHT,

Complainant,

v.

SECKEL CAPITAL, LLC, a Pennsylvania
limited liability company,

Respondent.

1 This Settlement Agreement is entered into between the Commissioner of Business Oversight
2 (Commissioner) on the one hand, and Respondents John Marinus Seckel (John Seckel) and Seckel
3 Capital, LLC (Seckel Capital) (together, Respondents) on the other, and is made with respect to the
4 following facts:

5 RECITALS

6 A. The Commissioner licenses and regulates mortgage loan originators, finance lenders,
7 and brokers under the California Financing Law (Fin. Code, § 22000 et seq.) (CFL), and licenses and
8 regulates mortgage loan originators, residential mortgage lenders, and residential mortgage servicers
9 under the California Residential Mortgage Lending Act (Fin. Code, §50000 et seq.) (CRMLA).

10 B. On or about November 26, 2013, the Commissioner issued John Seckel a mortgage
11 loan originator (MLO) license, License No. 204324.

12 C. On or about October 26, 2011, the Commissioner issued Seckel Capital, a limited
13 liability company formed and existing under the laws of the state of Pennsylvania, a residential
14 mortgage lender and servicer license pursuant to the CRMLA, License No. 4131173.

15 D. On July 11, 2017, the United States Department of Housing and Urban Development
16 (HUD) announced that HUD's Mortgage Review Board (MRB) was immediately suspending John
17 Seckel and Seckel Capital from originating and underwriting new mortgages insured by the Federal
18 Housing Administration (FHA). In addition, HUD suspended John Seckel from doing business with
19 the Federal government, finding that John Seckel knowingly and fraudulently submitted false
20 financial statements to the government certifying that they were audited by an independent
21 accounting firm when, in fact, they were not. HUD further alleged that John Seckel and Seckel
22 Capital, LLC engaged in a years-long pattern of submitting false financial statements to FHA.

23 E. On August 22, 2017, the State of Massachusetts entered into a Consent Order with
24 John Seckel and Seckel Capital, which required that John Seckel and Seckel Capital immediately
25 cease engaging in the activity of a mortgage lender in Massachusetts; that Seckel Capital's license
26 was terminated; and, that John Seckel and Seckel Capital refrain from submitting an application to
27 obtain such a license for a period of 120 months from the date of the Consent Order.

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F. On September 5, 2017, the State of Florida issued a Final Order against John Seckel and Seckel Capital, terminating John Seckel’s mortgage lender originator license and barring Seckel from applying for such license for a period of three years due to improper record keeping and failure to timely report changes to information contained in his application. In addition, the Florida Order terminated Seckel Capital’s CRMLA license and barred it from applying for a license for three years.

G. As of January 1, 2018, John Seckel changed the status of his California MLO license to inactive.

H. On April 10, 2018, the Commissioner issued an Accusation to Bar John Marinus Seckel From Any Position of Employment, Management and Control of Any Finance Lender, Broker, or Mortgage Loan Originator, based on the facts as recited above.

I. On April 10, 2018, the Commissioner issued an Accusation to Revoke the CRMLA License of Seckel Capital, based on the following allegations: (1) failing to submit complete audited financial statements in violation of Financial Code section 50200(a); (2) failing to pay the costs of examination and fees in the amount of \$5,170.00, in violation of Financial Code section 50314(c); (3) failing to pay an assessment fee of \$1,000.00, in violation of Financial Code section 50401(a); (4) engaging in an act that constitutes fraud, in violation of Financial Code section 50204(k); and (5) continuing to allow a person liable in an administrative judgment by a public agency involving fraud, namely John Marinus Seckel, to serve as an officer and a 10% or more owner, in violation of Financial Code section 50317(a).

J. On May 31, 2018, Respondents each submitted to the Commissioner, respectively, a Notice of Defense and request for administrative hearing on the pleadings referenced above.

K. John Seckel is the 100% owner and control person of Seckel Capital and, as such, is authorized to enter into this Settlement Agreement on behalf of Seckel Capital.

It is the intention and desire of the Parties to resolve these matters without the necessity of a hearing and/or other litigation.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein, the parties agree as follows:

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TERMS AND CONDITIONS

1. Purpose. It is the intention and desire of the parties to resolve this matter without the necessity of a hearing or other litigation for the purpose of judicial economy and expediency and to avoid the expense of a hearing and possible further court proceedings.

2. Acknowledgment. Respondent John Seckel acknowledges that on April 10, 2018, the Commissioner issued the Accusation to Bar John Marinus Seckel From Any Position of Employment, Management and Control of Any Finance Lender, Broker, or Mortgage Loan Originator. Respondent Seckel Capital acknowledges that on April 10, 2018, the Commissioner issued the Accusation to Revoke the CRMLA License of Seckel Capital.

3. Waiver of Hearing Rights. Respondents agree that this Settlement Agreement shall have the effect of withdrawing their requests for administrative hearings on the Commissioner's Accusations referenced in Paragraph 2, and hereby waive such right to a hearing and to any reconsideration, appeal, or other rights which may be afforded it under the CFL, the CRMLA, the Administrative Procedure Act (APA) (Gov. Code, § 11370 et seq.), the Code of Civil Procedure (CCP) (Code Civ. Proc., § 1 et seq.), or any other provision of law in connection with this matter.

4. Order Barring John Seckel: Respondent John Seckel hereby agrees and stipulates that, for a period of ten years from the date of this executed Settlement Agreement, he shall be barred and precluded from applying for a Mortgage Loan Originator License in California.

5. Order Revoking Seckel Capital: Respondent Seckel Capital hereby agrees and stipulates that its California Residential Mortgage Lending License shall be revoked by the Commissioner.

6. Full and Final Settlement. The parties hereby acknowledge and agree that this Settlement Agreement is intended to constitute a full, final, and complete resolution of Respondents' alleged violations as set forth in the Accusations referenced in Paragraph 2. No further proceedings or actions will be brought by the Commissioner in connection with these matters under any provision of law, excepting any proceeding to enforce compliance with the terms of this Settlement Agreement or action if such proceeding is based upon discovery of new and further violations of the law which do not form the basis for this Settlement Agreement or which Respondent knowingly concealed from the

Commissioner.

7. Commissioner's Duties. The parties further acknowledge and agree that nothing in this Settlement Agreement shall limit the Commissioner's ability to assist any other agency (city, county, state, or federal) with any prosecution, administrative, civil, or criminal, brought by any such agency against Respondent or any other person based upon any of the activities alleged in these matters or otherwise.

8. Binding. This Settlement Agreement is binding on all heirs, assigns, or successors in interest.

9. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it has had the opportunity to obtain independent advice from its attorney(s) or representative(s) with respect to the advisability of executing this Settlement Agreement.

10. Counterparts. The parties agree that this Settlement Agreement may be executed in one or more separate counterparts, each of which shall be deemed an original when so executed. Such counterparts shall together constitute and be one and the same instrument.

11. Waiver, Modification, and Qualified Integration. The waiver of any provision of this Settlement Agreement shall not operate to waive any other provision set forth herein. No waiver, amendment, or modification of this Settlement Agreement shall be valid or binding to any extent unless it is in writing and signed by all the parties affected by it.

12. Headings and Governing Law. The headings to the paragraphs of this Settlement Agreement are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof. This Settlement Agreement shall be construed and enforced in accordance with and governed by California law.

13. Full Integration. Each of the parties represents, warrants, and agrees that in executing this Settlement Agreement it has relied solely on the statements set forth herein and the advice of its own counsel. Each of the parties further represents, warrants, and agrees that in executing this Settlement Agreement it has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation, or disclosure of anything

whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

14. Presumption from Drafting. In that the parties have had the opportunity to draft, review, and edit the language of this Settlement Agreement, no presumption for or against any party arising out of drafting all or any part of this Settlement Agreement will be applied in any action relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive the benefit of Civil Code section 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the party that caused the uncertainty to exist.

15. Voluntary Agreement. Respondent enters into this Settlement Agreement voluntarily and without coercion and acknowledges that no promises, threats, or assurances have been made by the Commissioner, or any officer or agent thereof, about this Settlement Agreement.

16. Effective Date. This Settlement Agreement shall become final and effective when signed by all parties and delivered by the Commissioner's agent via U.S. Mail to Respondent at its address of record.

17. Notice. Any notices required under this Settlement Agreement shall be provided to each party at the following addresses:

If to Respondent to:	John Marinus Seckel 208 Jane Chapman Drive East Newtown, PA 18940
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If to the Commissioner to:	Robert Lux, Senior Counsel Department of Business Oversight 1350 Front Street, Suite 2034 San Diego, CA 92101
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18. Authority to Execute. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

IN WITNESS WHEREOF, the parties hereto have approved and executed this Settlement

1 Agreement on the dates set forth opposite their respective signatures.

2
3 Dated: July 30, 2018

JAN LYNN OWEN
Commissioner of Business Oversight

4
5 By_____

6 MARY ANN SMITH
7 Deputy Commissioner
8 Enforcement Division

9
10 JOHN MARINUS SECKEL, Respondent

11 Dated: July 20, 2018

12 By_____

13 JOHN MARINUS SECKEL

14 SECKEL CAPITAL, LLC, Respondent

15
16 Dated: July 20, 2018

17 By_____

18 JOHN MARINUS SECKEL
19 On behalf of Seckel Capital, LLC